

### **The complaint**

Mr C complains about charges LeasePlan UK Limited (LeasePlan) asked him to pay when he returned a car at the end of a lease.

### **What happened**

The detailed background to this complaint is well known to both parties. So I'll only provide a brief overview of some of the key events here.

Mr C took receipt of a new car in April 2021. He financed the deal through a hire purchase agreement with LeasePlan. Mr C was required to pay an advance rental of £1,687.41 on or before the commencement date followed by 47 monthly rentals of £187.49 the first payable one month after the commencement date.

The car was collected and inspected on 29 April 2025. The inspector identified some dents in a quarter panel and door that they said were outside of normal wear and tear. So, LeasePlan asked Mr C to pay £220 to compensate them for the loss in sales value they would incur as a result of that damage. They also noted that the car had been returned a little late and they levied a charge of £43.75 for the additional rental period.

Mr C was unhappy with those charges and as he wasn't able to resolve matters with LeasePlan he referred his complaint to this service. Our investigator thought the damage charges were reasonable, but he didn't think the excess rental charge was fair, and he suggested LeasePlan should waive or refund that with interest.

LeasePlan disagreed and they asked for a decision by an ombudsman.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the investigator's view of this complaint and for broadly the same reasons. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

### ***The extra days lease***

The finance agreement explained that Mr C would be responsible for paying an advance rental of £1,687.41 followed by 47 monthly rentals of £187.49 the first payable one month

after the commencement date.

The contract explained that the 'commencement date' was the date the car was delivered and as the car was listed as registered on 29 April 2025 I think it's fair to say that was the 'commencement date'.

Thereafter, 47 monthly payments were to be taken with the first one being a month after the commencement date. The last payment would therefore fall due on 29 March 2025 to cover the period 29 March to 29 April 2025.

I don't therefore think it was fair for LeasePlan to charge Mr C an informal extension period as it seems to me that it's likely there was no extension period. LeasePlan suggested the contract end date was 21 April 2025 but that would mean that Mr C had been in possession of the car for less than 48 months.

LeasePlan should therefore waive the extended lease charge and if Mr C has paid it they should refund it along with 8% interest as Mr C will have been deprived of the money.

### ***The damage costs***

The industry guidelines for what is considered fair wear and tear when vehicles are returned at the end of their lease, is provided by the British Vehicle Rental and Leasing Association (BVRLA).

I've reviewed the damage identified in the inspector's photographs and considered that against the BVRLA guidance. I'm persuaded, as our investigator was, that all of the damage that remains has been fairly charged.

The BVRLA guidance says:

*"Dents of 15mm or less in diameter are acceptable provided there are no more than two per panel and the paint surface is not broken." And "Dents on the roof or swage line of any panel are not acceptable".*

The dent to the quarter panel is demonstrably larger than the BVRLA guidance allows and the dent to the door is across the swage line. So, I think LeasePlan were reasonable when they applied a charge and I consider the amount they charged was fair and in line with industry standards.

It's for those reasons that I don't think the damage charges were unreasonable, but I do think the extended lease charge was.

### ***My final decision***

For the reasons I've given above, I uphold this complaint in part and tell LeasePlan UK Limited to:

- Waive the extended lease charge. If it's already been paid, refund it with 8% simple interest per year from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 December 2025.

Phillip McMahon

## **Ombudsman**